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RENTAL HOUSING UNDER THE BERKELEY RENT STABILIZATION ORDINANCE:
A SURVEY OF TENANTS AND LANDLORDS

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OCTOBER 4, 1984

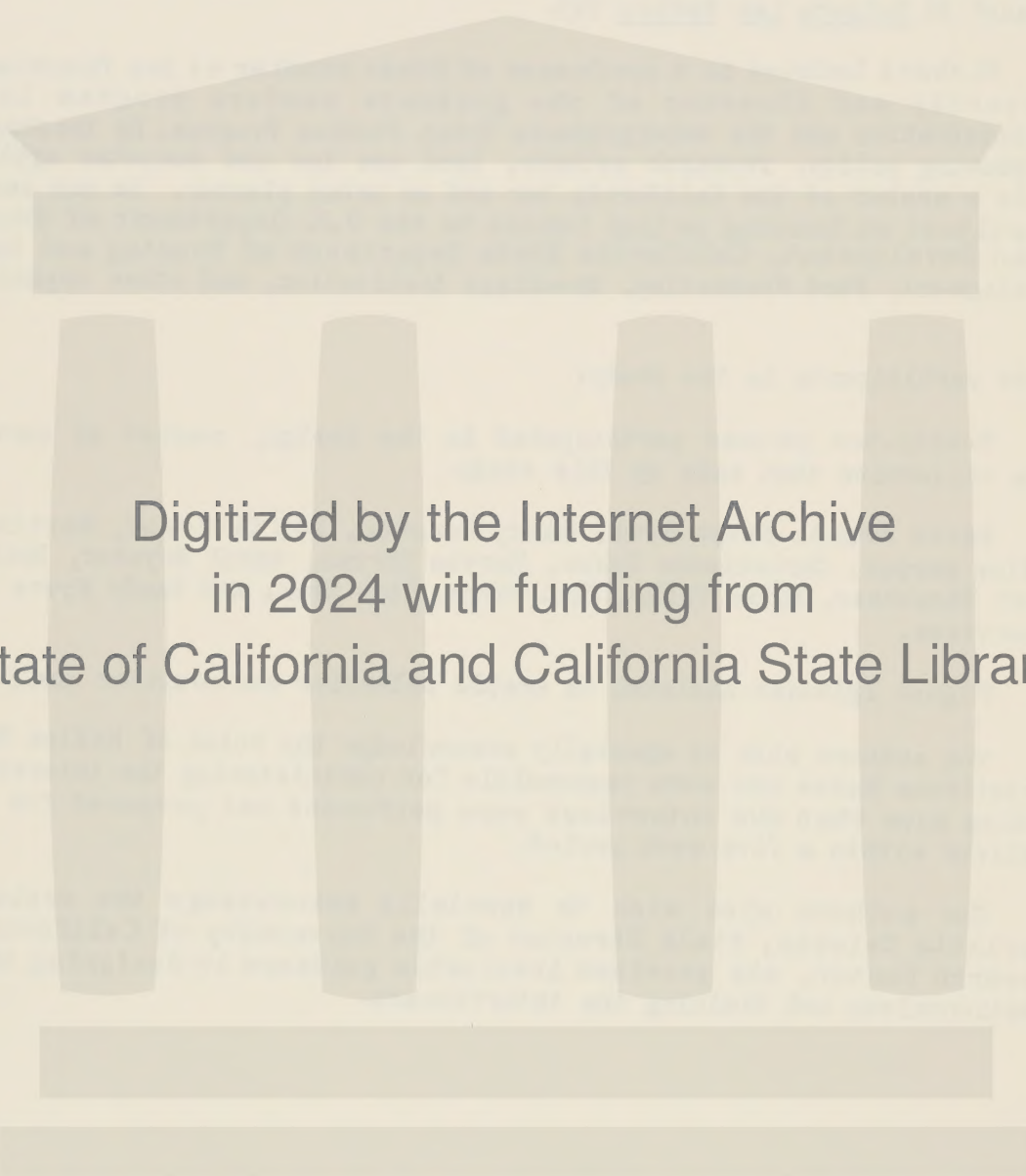
PRELIMINARY REPORT

RENTAL HOUSING UNDER THE BERKELEY RENT STABILIZATION ORDINANCE:
A SURVEY OF TENANTS AND LANDLORDS

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This report was directed by the authors, acting as independent consultants, on behalf of the Berkeley Rent Stabilization Board. The opinions and conclusions in the report are those of the authors rather than the Board.



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I. Introduction

The purpose of this survey was to provide information which could be used by the Rent Stabilization Board in formulating policies and outreach programs.

This report sets forth the results of a survey of 503 tenants living in units covered by the Berkeley Rent Stabilization ordinance and 105 owners of rental property subject to the ordinance. In depth interviews were also conducted with owners of several management companies which manage a substantial number of apartment units in Berkeley.

The tenant interviews were conducted by telephone and in person. Tenants were asked questions about maintenance, their rents, relations with their landlord, security deposits, knowledge of tenant-landlord law and the Berkeley rent stabilization ordinance, the location of their previous residence, why they moved and how they found their present apartment. Interviewees were also asked to provide demographic information including their race, sex, age, and household income.

Landlord interviews were conducted by telephone. The interviews included questions about maintenance, capital improvements, relations with tenants, their views about the rents and general adjustments permitted by the board and their mortgages. The landlords were also asked to provide demographic information.

The management company interviews were lengthy and largely open ended, focusing on capital improvements, maintenance, the rent stabilization law and views about its administration.

The results of the survey are particularly significant because empirical research on rental housing in the private market has been minimal and rent control is the most hotly debated housing policy in the U.S. Generally, the research that has been performed has not included interviews of a substantial number of tenants and/or landlords¹

1. Studies based on extensive interviews of landlords and/or tenants in rent controlled housing markets, include: Sternlieb, Urban Housing Dilemma (1972, New York); Selesnick, Rent Control: A Case For (1972, Cambridge); Clark, Heskin, and Manuel, Rental Housing in the City of Los Angeles (1980, Institute of Social Science Research, Los Angeles; Heskin, Tenants and The American Dream (1983).

For studies based on interviews of landlords in non-rent controlled markets see Krohn, Fleming, and Manzer, The Other Economy (1977), Sternlieb, The Tenement Landlord (1966) and Stegman, Housing Investment in the Inner City: The Dynamics of Decline (1972).

II. The Setting

Berkeley is a city of 103,328 persons located 15 miles from San Francisco. Besides being the location of an internationally recognized university of approximately 28,000 students, it offers many cultural resources, extensive public transportation, parks and sports facilities, and probably the highest number of quality restaurants and cafes per capita of any city west of Paris. The city is bounded on the west by the San Francisco Bay, on the East by a large regional park, on the south by Oakland, and on the north by two smaller cities.

Despite the fact that two-thirds of the housing units in Berkeley are apartments and its density of housing is well above regional averages, the city has an extremely tight housing market.

In the 1950's and 60's, a substantial number of rental units were constructed in Berkeley. However, public reaction to this rapid growth led to strict growth controls in the 1970's. From 1974 to 1980, the size of the rental housing stock remained virtually frozen, while the market value of apartment units nearly tripled from an average value of approximately \$11,000 per unit to \$30,000 per unit.² The 1980 census indicates that only 270 of the rental units in the city were built during or after 1974. The table below contains census data on the number of rental units and median rents during the past four decades.

Berkeley Housing Stock 1950-80

| <u>Year</u> | <u>No. of Rental Units</u> | <u>Median Rent</u> |
|-------------|----------------------------|--------------------|
| 1950 | 19,127 | \$ 47 |
| 1960 | 22,209 | 82 |
| 1970 | 29,672 | 137 |
| 1980 | 27,613 ³ | 223 |

2. Baar, Francis, Gellen, and Keating, Berkeley Rent Stabilized Properties Operating Costs and Debt Service, pp. VI-3 - VI-7 (Sept. 1982). These conclusions were based on sales data from the Berkeley Board of Realtors multiple listing service reports and Society of Real Estate Appraisers reports.

3. The decline in the number of rental units from 1970 to 1980 most probably reflected conversion of units from rental to owner occupancy uses.

Regulation of Rents, Conversions, and Demolitions

In 1978, after the passage of Proposition 13, Berkeley residents passed an initiative (Measure I), which required landlords to rebate 80% of their Proposition 13 property tax reductions⁴ to tenants and limited rent increases to the amounts necessary to cover operating cost increases.

In 1980, Berkeley residents passed a rent control initiative (Measure D), which established a rent board which had the authority to determine annual across-the-board rent increases on the basis of apartment operating cost factors and to promulgate individual rent adjustment regulations. 24,000 rental units are covered by the law, which covers most rental units.⁵

In 1982, after the rent board promulgated a 9% across-the-board increase, the ordinance was amended through a new initiative which required that across-the-board increases in excess of 45% of the percentage increase in the Consumer Price Index had to be approved by two-thirds of the board members. A second initiative in 1982 amended the law to provide for an elected rent board.

Permitted across-the-board increases since the adoption of the ordinance have been as follows:

Across-the-Board Increases under Rent Control Law

| | |
|--------------|--|
| 1981 - 5% | + (1.2% if LL pays for heat) |
| 1982 - 9% | + (\$4-\$16 if LL pays for heat & elec., depending on apt.size) |
| 1983 - 4.75% | + (0.25% if LL pays for any gas or elec.) |
| 1984 - 0% | |

4. As a result of statewide referendum amending the state constitution, Berkeley's property tax rate was decreased from approximately 4% of assessed value to 1% of 1975 assessed value. Increases in property taxes were limited to 2% a year, except for properties which are sold, which are reassessed at fair market value. The reduction in property taxes equalled approximately 7% of gross income. (This is a rough estimate based on data from other California jurisdictions and Institute of Real Estate Management, Income/Analysis data on operating costs for California apartments.)

5. The following units are exempt from the ordinance: rental units in owner occupied dwellings with two units, rooms in dwellings occupied by the owner, units receiving government subsidies, specified special care facilities, and new construction.

In addition to regulating rents, the city severely restricts conversions of rental units to condominiums or non-residential uses and restricts demolitions.⁶

The results of this survey should be evaluated in the context of this recent history. The survey results might have been substantially different if the survey had been conducted at some other time, particularly if it had been conducted in 1982, when a 9% rent increase was permitted.

ALSO, IT SHOULD BE NOTED THAT RENT CONTROL GENERAL ADJUSTMENT STANDARDS, AND INDIVIDUAL ADJUSTMENT STANDARDS AND PROCEDURES DIFFER SUBSTANTIALLY AMONG JURISDICTIONS. THEREFORE, IT WOULD BE INAPPROPRIATE TO USE MANY OF THE FINDINGS IN THIS STUDY AS A BASIS FOR MAKING GENERALIZATIONS ABOUT RENT CONTROLS.⁷

6. Conversion controls are widespread in the Bay area. In many cities conversions are not permitted if the apartment vacancy rate is below three or five percent, thereby effectively prohibiting conversions.

7. For discussion of the differing types of rent control laws in effect in the U.S. see Baar, Guidelines for Drafting Rent Laws: Lessons of a Decade", 35 Rutgers Law Review 723 (1983) and Baar, Rent Control: An Issue Marked by Heated Politics, Complex Choices and a Contradictory Legal History, Western City (June 1984, California League of Cities)

III. The Tenant Survey

a. The Sample

The tenants interviewed consisted of a sample of 670 households selected from a list consisting of all units registered with the rent board. The sample was selected in a random manner designed to insure that the sample would reflect a cross-section of rental housing in Berkeley in terms of building size, neighborhoods, income, race, rent level, and other characteristics. (See the tables on the following page for a description of the composition of the sample.)

The rent board sent a letter to each household that was selected which briefly indicated the purpose of the survey, the fact that the household would either be contacted by telephone or in person, and that all interviews were confidential.⁸

Telephone numbers for approximately 40% of the units were obtained through the reverse telephone directory. The balance of the units were included in the door-to-door sample. Typically at least ten attempts were made to contact the households in the telephone sample and at least five attempts were made to contact households in the door-to-door sample. Contacts were distributed throughout daytime, early evening, and weekend hours. To the extent possible within time constraints of the survey multiple attempts were made to reach hard-to-contact tenants spaced over several weeks.

The survey response rate was 75%. In other words, completed questionnaires were obtained from 75% of all households in the sample. The interviewers were not able to contact 13% of the households. Of the respondents who were contacted, 8.9% refused to be interviewed. The refusal rate was slightly higher for telephone interviews than for door-to-door interviews.⁹

Two of the interviews were conducted in Spanish, two in Cantonese, and one in French.

8. Appendix A contains a copy of the letter.

9. 57 households proved to be invalid and were excluded from an initial sample of 727 households. These consisted of 41 units which were occupied by an owner or apartment manager, 2 which were businesses, and 14 which were vacant units. Of the 670 valid cases in the sample it was not possible to contact 85 of the tenants, 49 tenants refused to be interviewed, and 33 interviews were not completed for other reasons. There was no discernible pattern in regards to refusals in terms of age, race, sex or neighborhood.

SELECTED TENANT SAMPLE CHARACTERISTICS

Building Size

| No. of units in bldg. | Proportion of sample |
|--------------------------|-------------------------|
| 1 - 4 | 32% |
| 5 - 10 | 27 |
| 11- 20 | 20 |
| over 20 | 22 |

Age

| | |
|-------------|----|
| 18 - 24 | 28 |
| 25 - 29 | 20 |
| 30 - 39 | 33 |
| 40 - 49 | 8 |
| 50 - 59 | 3 |
| 60 or older | 8 |

Race

| | no. | pct. |
|-------------|-----|------|
| White | 327 | 65% |
| Black | 70 | 14 |
| Asian | 64 | 13 |
| Hispanic | 20 | 4 |
| Other | 10 | 2 |
| No response | 12 | 2 |

Employment Status

| | |
|-------------------|-----|
| Employed Fulltime | 40% |
| Employed Parttime | 25 |
| Student | 17 |
| Unemployed | 7 |
| Retired | 6 |
| Disabled | 3 |
| Housewife | 2 |
| Other | 1 |

(Continued Next Page)

Sex

| | |
|-------|-----|
| Men | 53% |
| Women | 47 |

Household Income Level

| | |
|---------------------|-------|
| | pct.* |
| Less than \$10,000 | 33% |
| \$10,000 - \$14,999 | 18 |
| \$15,000 - \$19,999 | 13 |
| \$20,000 - \$29,999 | 18 |
| \$30,000 - \$39,999 | 10 |
| \$40,000 or more | 7 |

*These percentages do not include 5% of respondents who declined to state their income level.

Understanding and Interpreting the Data

The following sections discuss overall response ratios for survey questions and response percentages for different groups (e.g. according to age, race, income, length of occupancy, size of building). In interpreting the data it is critical to understand that while percentages for the whole sample are highly reliable, the reliability of data about subsets of the sample is much lower. For example, only 4% (20 persons) of the sample were Hispanic. Therefore, generalizations about how satisfied Hispanic renters are with the maintenance of their unit based on this small number would not be reliable. Generalizations about subgroups of fifty to a hundred respondents (such as Blacks and Asians) are not as reliable as generalizations about the whole sample.

All percentage results are reported as whole numbers. In some cases totals may not add up to precisely 100% due to rounding.

In considering the analysis, the reader should pay particular attention to the number of cases in each subset. The number of cases in a subset is noted in the form (n=) at the top of tables which include significantly less than the whole sample.

b. Maintenance and Capital improvements

--Maintenance by landlords

Interviewees were asked 8 questions regarding maintenance of their units and capital improvements. The questions and responses were as follows:

How would you rate the maintenance of your (apartment/house) overall, would you say it is

| | |
|---------------------|-----|
| excellent | 18% |
| good | 39% |
| fair, or | 26% |
| poor? | 15% |

Since you moved in has the quality of the maintenance of your apartment gotten ...

| | |
|------------------------------|-----|
| better, or | 15% |
| worse. or | 12% |
| remained about the same? . . | 72% |

Eliminating cases involving tenants who had who had lived in their units less than a year did not substantially change the results.

CHANGES IN MAINTNENANCE

| Changes in Maintenance | No. of months occupying unit | |
|----------------------------|------------------------------|----------------------------|
| | 12 mos. or more (n=359) | 48 mos. or more (n=159) |
| better | 17% | 16% |
| worse | 15 | 20 |
| no change (about the same) | 68 | 64 |

Also, numerous cross-tabulations were run in order to determine factors which correlated with poor maintenance and/or a decline in maintenance. No substantial variations were revealed in terms of household income level, age, or race, with the exception that tenants who find their units by knowing the landlord were far more likely to be satisfied.

--Capital Improvements

There has been considerable debate in Berkeley about the issue of capital improvements. It has been asserted that rent stabilization removes landlords' incentives to make capital improvements or makes it economically impossible for them to do so. Contrary to this line of argument tenants reported a large number of capital improvements had been made, many of them recently.

In response to the question "How many capital improvements have been made in since you moved in," or within the last five years if you have been in the unit more than five years, Berkeley tenants reported 389 capital improvements:

Capital Improvements Within Last Five Years Or Since Tenant Moved In

| | N | % |
|---------------------|-----|----|
| Roof | 80 | 16 |
| Painting | 79 | 16 |
| Remodeling/retiling | 62 | 12 |
| New appliances | 51 | 10 |
| Carpeting | 16 | 3 |
| Other | 101 | 19 |

Substantial numbers of capital improvements were made in 1984 and 1983. Overall tenants reported a total of 140 capital improvements made during the first eight months of 1984. Because of the high tenant turnover it is not possible to get a very accurate picture of the total volume of capital improvements over time. Also, respondents seemed to have difficulty in remembering capital improvements which did not occur within the past few years.

As discussed below few landlords apply for a rent increase as the result of a capital improvement. Only twenty tenants reported that rents had been raised as a result of the capital improvements.

--Maintenance by tenants

Tenants were also asked if they or other persons in their household had performed maintenance on their units. 45% responded affirmatively. Of those who indicated that maintenance had been performed by their household, there were an enormous number of different types of work mentioned. 45% of those doing work reported that they had done painting and 25% yardwork. Other types of work ranged from substantial undertakings such as repairing the roof, sheetrocking, and putting in a new bathroom to such minor tasks as changing lightbulbs in common areas.

47% of the tenants who indicated that they had done some maintenance work also indicated that they received some sort of reimbursement for the work. Of those who received reimbursement, 71% received reimbursement for materials only.

c. Rents

--The range of rents

The mean current rent reported by the respondents was \$337. Rents ranged from a low of \$42 to a high of \$1600, though most were in the \$200 to \$ 400 range as indicated below:

| Rent | Pct. of Respondents* |
|-----------------|----------------------|
| Under \$100 | .4% |
| \$100 to \$ 199 | 14 |
| \$200 to \$ 299 | 36 |
| \$300 to \$ 399 | 25 |
| \$400 to \$ 499 | 12 |
| Over \$ 500 | 10 |

*2% declined to state their rent

--Views about whether the rent is "fair"

In response to the question "Do you think that the rent for your (apartment/house) is fair?", 83% of the respondents replied affirmatively. 4% of the respondents gave a modified answer "fair for Berkeley", a qualification indicating that their rent was only fair relative to other Berkeley rents.

There was a relationship between actual rent paid and tenant perception of whether the rent was fair. However, its informational value is very limited by the fact that there are no controls for the desirability of the neighborhood or the overall quality of the unit. Predictably the lower the rent paid the more likely the tenant was to feel that the rent was fair.

OPINIONS ABOUT FAIRNESS OF RENT

| Rent | Rent Fair |
|-----------------|------------|
| \$100 to \$ 199 | 96% (n=68) |
| \$200 to \$ 299 | 90 (n=181) |
| \$300 to \$ 399 | 89 (n=126) |
| \$400 to \$ 499 | 80 (n=61) |
| Over \$ 500 | 72 (n=51) |

Satisfaction with rent levels may have a substantial impact on tenants' perceptions about the adequacy of maintenance and, conversely, satisfaction with maintenance levels may have a substantial impact on perceptions about whether the rent is fair. While showing a correlation between satisfaction with rent levels and maintenance levels, the responses indicated a clear distinction between views about the reasonableness of the rents and the adequacy of the maintenance.

83% of the respondents indicated that they felt that their rent was fair, as opposed to 58% who felt that the maintenance was excellent or good. 12% indicated that they did not think the rent was fair, in contrast to 16% who felt that the maintenance was poor.

PERCEPTION OF RENTS AND MAINTENANCE

| | Rent Fair | Rent Unfair* | |
|-------------|--------------|-----------------|---------|
| MAINTENANCE | | | |
| excellent | 95% | 2% | (n=91) |
| good | 85 | 8 | (n=194) |
| fair | 78 | 17 | (n=132) |
| poor | 73 | 22 | (n=79) |

*"fair for Berkeley" not included in this table.

The correlations between views about the reasonableness of the rents and income levels were rather interesting. Views that the rents were unfair were most frequent at the low and high ends of the income scale and lowest in the middle income ranges. 15% of the tenants in households with an income of \$15,000 or less felt that their rent was unfair, while only 4% of the households with an income ranging from \$15,000 to \$30,000 felt that their rent was unfair. 16% of the respondents in households with an income of \$30,000 or more felt that the rent was unfair.

d. Knowledge of the Law

Tenant responses indicated a widespread lack of knowledge regarding critical aspects of the rent law.

21% of the respondents did not know whether or not their unit was covered by the rent stabilization law. Only 30% of the respondents knew that rents could not be raised by virtue of a unit becoming vacant. Only 43% knew that the board did not permit an across-the-board rent increase last year. (A system of random guessing would have resulted in 25%-33% of the respondents giving the "correct" answers to these questions.) On the other hand, 80% knew that a court order had to be obtained in order to remove a tenant and 72% knew that a landlord needed to get permission from the rent board in order to raise the rent to cover the cost of a capital improvement. 13% of the respondents knew the correct answer to all of the knowledge questions.

It should also be noted that when tenants were asked about whether they had received interest on their security deposits, many indicated that they did not know they were supposed to receive interest.

Responses to the knowledge questions were as follows:

If a tenant fails to pay the rent on time, the landlord ...

| | |
|--------------------------------------|-----|
| may remove the tenant | |
| within 3 days, | 6% |
| or, must obtain a court | |
| order to remove the tenant | 79% |
| don't know | 11% |

When a unit becomes vacant, the rent for the new tenant ...

| | |
|----------------------------------|-----|
| may not be increased, | 30% |
| may be increased by 5% | 39% |
| or, may be set at whatever level | |
| the landlord and the new tenant | |
| agree to? | 16% |
| don't know | 12% |

If a landlord replaces the roof....

| | |
|---|-----|
| the rent can be increased by 5% | 5% |
| the rent can be raised to cover | |
| the cost of the roof | 5% |
| or, the landlord must get permission | |
| from the rent board to raise the rent? . | 72% |
| don't know | 15% |

In 1984, Berkeley landlords were permitted
to raise rents ...

| | |
|------------------------------------|-----|
| three and a half percent | 10% |
| five percent | 20% |
| ten percent | 5% |
| or, not at all | 43% |
| don't know | 20% |

A number of hypotheses may be advanced for why tenants were more likely to know about the requirements for rent increases for capital improvements and removal of tenants after non-payment of rent, than about legal rent levels for vacant units and the 1984 annual general adjustment. The requirement that a court order be obtained in order to remove a tenant is a longstanding part of the civil code of California and most other states in the U.S. The nature of the question about capital improvements and the fact that the survey was conducted on behalf of the rent board may have signaled that rent board permission was needed in order to get a rent increase. The answers to the questions about removal of tenants and capital improvements presented alternatives of different types, while the answers to the questions about the 1984 allowable rent increase and rent increases for vacant units presented differing amounts.

For a number of reasons, tenants may not feel a need to know about some of the critical aspects of the rent law. Tenants who moved into their apartments prior to the adoption of Measure D (June 1980) and had not looked for new apartments since then would not need to know the law regarding rents for units that become vacant. Tenants who did not experience a rent increase in 1984 (91% of all respondents¹⁰) may not feel a need to know whether a rent increase over 1983 levels had been permitted. A few respondents explained to interviewers that the correct answer to the question about the 1984 annual increase must have been that no increase was permitted, since they did not receive any increase and they were sure that their landlord would have raised the rents if permitted to do so.

Notwithstanding the foregoing analysis of why tenants might not have been knowledgeable about the basic aspects of the ordinance touched upon by this survey, the authors recommend an expansion of the board's efforts to educate tenants.

10. Possible legal grounds for rent increases in 1984 included individual rent adjustment orders and rent increases authorized but not taken in prior years.

THE LIFE OF A TENANCY

e. Prior Residence

Half of the respondents were living in Berkeley prior to their move into their present apartment and most were living in the Bay Area.

| <u>Prior Residence</u> | <u>Pct.</u> |
|------------------------|-------------|
| Berkeley | 51% |
| Oakland | 10 |
| San Francisco | 6 |
| other East Bay | 6 |
| other Bay Area | 5 |
| other Calif. | 7 |
| other states | 9 |
| other countries | 3 |

f. Reasons for Moving

Principal reasons for moving were personal, better location, and to attend school. The majority of moves were necessary in order to obtain non-housing objectives in life, including changes in one's personal situation and moving into the Bay Area. A relatively small percentage of tenants mentioned better apartment as a reason for moving. The low ratio of moves in order to improve one's housing conditions could either reflect satisfaction with one's present housing conditions or the difficulty of finding a better apartment.

REASONS FOR LAST MOVE

(Alternatives were not read to the respondents)

| Reasons | Mentioned | Most Important |
|--|-----------|----------------|
| lower rent | 11% | 7% |
| bigger apartment | 9 | 7 |
| smaller apartment | 1 | 1 |
| better apartment | 8 | 5 |
| better location | 17 | 11 |
| attend school | 17 | 16 |
| change in personal situation | 30 | 26 |
| kid's school | 0 | 0 |
| job | 8 | 7 |
| evicted or asked to leave by landlord | 7 | 7 |
| problems with landlord | 2 | 2 |
| other reasons | 8 | 8 |

The 35 tenants who indicated that they were evicted or asked to leave gave the following reasons: landlord or relative moved in - 14, the property was sold - 8, unit rehabilitation - 3, conversion to condominium or other use - 2, tenant damaged property - 2, no reason given - 6. None of the respondents indicated that they had to leave because they had not paid the rent.

The reasons for moving are quite consistent across demographic groups with the exception of students -- 50% of the 87 students in our sample reported that their reason for moving to their current apartment was in order to attend school.

g. Finding an Apartment

The survey indicated that a little over half of all tenants find their apartment through word of mouth, either through a friend or relative (45%) or by knowing the landlord (9%). There were significant variations by race in the way in which an apartment was found. Two-thirds of the Asian respondents found their apartment through a friend or relative, but only one out of 64 Asian respondents found their apartment by knowing the landlord. 7% of all respondents found their apartments through the U.C. housing office, but only one Black respondent found an apartment in this manner. Whites were far more likely to find their apartment through an apartment information service than minorities.

HOW APARTMENT FOUND

| | all | Whites (n=325) | Blacks (n=67) | Asians (n=64) |
|----------------------|-----|-------------------|------------------|------------------|
| newspaper | 7% | 8% | 6% | 3% |
| apt. inf. service | 13 | 16 | 10 | 5 |
| friend or relative | 45 | 41 | 40 | 66 |
| knew landlord | 9 | 8 | 15 | 2 |
| bulletin board | 3 | 3 | 2 | 5 |
| U.C. student housing | 6 | 7 | 2 | 9 |
| sign on building | 6 | 6 | 9 | 5 |
| other | | | | |

Several patterns emerged in subgroup analysis of how tenants in Berkeley find their apartments.

First, minorities are significantly less likely than Whites to make use of apartment information services.

Second, persons of every income category are nearly equally likely to use an apartment information service for obtaining their unit.

Third, those tenants who found their unit through an apartment information service were more likely than tenants at large to express dissatisfaction with their unit. 68% of the 66 respondents who used an information service felt that their rents were fair as opposed to 83% of all respondents. It appears that those tenants least established in the Berkeley word-of-mouth market for rental units are least likely to obtain units that they consider satisfactory. (It is probable that the units with lowest rents are more likely to be taken through word of mouth.)

h. Moving Into an Apartment

--Fees for finding the apartment

The percentage of tenants who paid a fee in order to find their apartment, 15%, closely approximates the percentage of those who used an apartment information service in order to find their apartment. Indeed, virtually all respondents who paid a fee to locate an apartment reported that the fee was paid to an apartment information service.

--Deposits

Probably the most significant finding regarding payment of deposits and fees is that a substantial portion of tenants could not remember or were uncertain about what payments they had made. However, it is possible that most of those who were uncertain still possessed records of these payments. One respondent reported having to pay six months rent in advance in order to move into an apartment.

| <u>Type of deposit or advance</u> | <u>Pct.</u> |
|--|-------------|
| first and last month's rent required | 62% |
| cleaning | 29 |
| security | 24 |
| some deposit, but respondent unclear as to its nature | 17 |

--Rental Agreements

70% of all tenants reported that they had a written lease. Of those with written leases, 61% reported that they had month-to-month agreements, and 31% reported that they had one year leases.

Few respondents indicated that the terms of their lease -- as distinct from the amount of rent which they pay -- have been changed since they moved in, or in the last five years.

--Responsibility for Utilities and Garbage Collection

Most tenants indicated that they pay for their gas & electricity bill (P.G.&E). However, it should be noted that a substantial number of tenants might not be conscious of the fact that their landlord pays for the gas for hot water heating. In a small percentage of cases respondents indicated that they pay for part of their gas and electricity and the landlord pays for part of it. Landlords almost always pay for garbage collection. About three quarters of all tenants interviewed reported that their landlord paid the water bill.

PAYMENT OF UTILITY BILLS

| <u>Paid by Tenants</u> | <u>Pct.</u> |
|------------------------|-------------|
| P.G. & E. | 85 |
| part of P.G. & E. | 5 |
| water | 23* |
| garbage | 3 |

*The breakdown by building size is: 1-4 units - 46%;
5-10 units- 24%; 11-20 units- 6%; over 20 units - 4%.

i. After Moving In

--Relations with the landlord (or manager)¹¹

Tenants' ratings of their relationship with their landlord fell between their ratings of the reasonableness of their rents and the maintenance of their units. 74% felt that their relationship was excellent or good. (As previously indicated, 83% felt that their rents were fair and 57% felt that their maintenance was good or excellent.) 17% of tenants felt that their relationship with their landlord was fair and 7% felt that it was poor.

There were few significant subgroup differences in the pattern of relationships. Women and minorities reported slightly more favorable relationships with their landlord than did Whites. Those tenants with the lowest and highest rents had somewhat better relations than the tenants at large, and the youngest age groups of tenants had modestly poorer relations with their landlords than did other groups. In no case were the differences striking.

--Disputes with the landlord

23% of the respondents indicated that they have had disputes or problems with their landlord. Of those who had disputes, the disputes were about: rent - 18%, maintenance - 36%, a combination of rent and maintenance - 9%, other reasons 35%, several reasons - 2%.

39 respondents, 35% of those who had disputes, indicated that they had made a complaint to an agency or organization about their problem. They complained to the following agencies or organizations: the rent board - 23 respondents, Renters Assistance Project (Univ. of Cal.) - 8, Berkeley Tenants' Union - 12, building inspector - 6, a lawyer - 11, another agency - 12.

11. Some respondents indicated that they only dealt with the manager of the property and not the owner.

--Action in the Event of a Future Dispute

Respondents were also asked, "If, in the future, you had a dispute or disagreement which you could not resolve with a landlord, to whom or where would you go?". The responses were as follows:

| Agency or Organization | Pct. Mentioned |
|----------------------------|----------------|
| Rent Board | 51% |
| Renters Assistance Project | 7 |
| Berkeley Tenants' Union | 6 |
| Building Inspector | 0 |
| Attorney | 17 |

Actual responses in the event of a dispute may differ substantially from the above responses. Many respondents may have mentioned the Rent Board because they were informed that the survey was conducted for the Rent Board. When disputes arise advice from friends, agencies, and organizations would be likely to lead to other agencies and organizations. The sample of respondents who had disputes (36 cases) is not adequate to verify or refute such a hypothesis.

--Interest on Security Deposits

Section 7 of the rent ordinance requires landlords to pay tenants interest on deposits and advance payments of last month's rent, as well as any other payments, the primary function of which is to secure performance of the rental agreement. Said interest is required to be paid annually in cash or in the form of a rent rebate.

Half of the respondents who have lived in their unit for over a year indicated that they have not received interest on their deposits.

j. Number of Occupants and Contributors to the Rent

The survey indicated that the vast majority of tenant households contain one or two persons and that only 10% of the units contain more than two adults. In a majority of cases only one occupant contributes to the rent.

PERSONS, ADULTS, AND RENT PAYERS IN HOUSEHOLD

| | Persons in household | Adults in household | Contributors to rent |
|--------------|----------------------|---------------------|----------------------|
| one | 45% | 50% | 57% |
| two | 36 | 40 | 34 |
| three | 10 | 7 | 6 |
| four or more | 8 | 3 | 2 |

k. Satisfaction with the Neighborhood

4.8% of the respondents indicated that they were "not at all satisfied" with their neighborhood and 9.7% indicated that they were "not very satisfied". 45.5% were "very satisfied" and 39.6% were "somewhat satisfied".

l. Turnover

A traditional comment about rent controls is that they result in a substantial reduction in tenant mobility. It was the opinion of the owners of larger buildings and management companies that turnover has substantially decreased in the past five years. The results of the tenant survey indicate substantial turnover and seem to run counter to these perceptions.

The table below contains turnover findings from this survey and data from the 1980 census. The time spans measured in the tenant sample differ from the time spans used in the 1980 census reports.

LENGTH OF OCCUPANCY

| <u>1984 Tenant Survey</u> | | <u>1980 census</u> | |
|---------------------------|-----|--------------------|-----|
| 0-11 months | 28% | 0-15 months | 44% |
| 12-23 months | 19 | | |
| 24-35 months | 11 | 16-63 months | 36% |
| 36-47 months | 10 | | |
| 48-65 months | 10 | | |
| 66-83 months | 5 | 64 months or more | 20% |
| 84 months or more | 16 | | |

IV. The Landlord Survey

a. The Sample

Rental unit owners were selected in the same manner as tenants. However, the sample contacted was limited to those whose telephone numbers could be located, approximately 60% of the total sample. As in the case of the tenant survey, each landlord was sent a letter about the survey.¹²

11% of the landlords who were contacted refused to be interviewed. While no clear patterns emerged in regard to the tenant refusals, a very clear pattern emerged in regards to the landlord refusals. The owners' refusals were almost universally based on hostility towards the rent board. In many instances the refusals were accompanied by a discussion about what was wrong with the Board. In another 10% of the cases, messages were left with a third party, but the landlord never returned the phone call.

The respondents owned approximately 1100 units. The composition of the landlord sample in terms of building size¹³ date of acquisition, age, race, employment status, sex, and household income is shown in the tables below.

Selected Landlord Sample Characteristics

Building Size

| No. of units in bldg. | Proportion of sample |
|--------------------------|-------------------------|
| 1 - 4 | 39% |
| 5 - 10 | 24 |
| 11- 20 | 19 |
| over 20 | 18 |

Date of Acquisition

| | |
|---------|-----|
| 1937-59 | 13% |
| 1960-69 | 18 |
| 1970-74 | 13 |
| 1975-79 | 32 |
| 1980-84 | 22 |

(Continued Next Page)

12. The letter is included in Appendix A

13. Interviewees were instructed to limit their responses to the particular building, which was the subject of the interview.

Age of Landlord

| | |
|-------------|----|
| 27 - 39 | 15 |
| 40 - 59 | 31 |
| 60 - 69 | 34 |
| 70 or older | 20 |

Race*

| | |
|-------|------|
| | pct. |
| White | 66 |
| Black | 16 |
| Asian | 17 |

*Based on 87 responses. 18 declined to state.

Employment Status

| | |
|-------------------|-----|
| Employed Fulltime | 47% |
| Employed Parttime | 21 |
| Unemployed | 2 |
| Retired | 26 |
| Housewife | 2 |

Sex

| | |
|-------|----|
| Men | 64 |
| Women | 35 |

Household Income Level*

| | |
|---------------------|----|
| Less than \$10,000 | 4% |
| \$10,000 - \$14,999 | 9 |
| \$15,000 - \$19,999 | 13 |
| \$20,000 - \$29,999 | 21 |
| \$30,000 - \$39,999 | 16 |
| \$40,000 or more | 36 |

*The above percentages are based on 75 cases.
30 respondents declined to state their income.

b. The Operation of the Rental Properties

--Management and Maintenance

About one third (37) of the respondents indicated that they had hired a manager. Most of these managers (31) live on the property. About half the respondents reported doing some or all of the maintenance work on their units themselves. 14 indicated that they do all of the repairs, 21 indicated that they do most of the work, 10 indicated that they do about half of the work, and 12 indicated that they do a small part of the work.

--Capital Improvements

79% of the landlords reported that they had made one or more capital improvements since the beginning of 1979. Approximately one third (34%) indicated that they had made capital improvements in 1983 or 1984.

The most commonly mentioned capital improvements (from 1979 through 1984) were roof work, painting, and carpeting.

CAPITAL IMPROVEMENTS

| <u>Type of work</u> | <u>Pct. Mentioned</u> |
|---------------------|-----------------------|
| Roof | 22% |
| Painting | 20 |
| Remodeling | 13 |
| New appliances | 10 |
| Carpeting | 8 |
| Carpentry | 7 |
| Solar installations | 6 |
| Other | 15 |

Other capital improvements mentioned included foundations, plumbing, electrical work, security systems, and landscaping.

Respondents were also asked whether they had increased rents as a result of the capital improvements. Only 8 indicated that they had.

These responses are consistent with the reports of the tenants that substantial numbers of capital improvements had been made -- particularly in 1983 and 1984; that roof work and painting were particularly common improvements; and that few rent increases were directly attributable to the improvements made.

--Finding Tenants

The methods that landlords described for finding tenants paralleled the methods described by tenants for finding their apartments. Informal mechanisms such as locating new tenants through existing tenants, by knowing the tenants personally, or through friends and relatives predominated. Among formal methods, use of apartment information services was most common. The landlords repeatedly noted that tenants found them before they even looked.

FINDING TENANTS

| Method of finding tenants | Pct. Mentioned | Primary Method |
|------------------------------|-------------------|-------------------|
| Newspapers | 19% | 4% |
| Listing Service | 35 | 15 |
| Friends & Relatives | 31 | 5 |
| Knew tenants | 37 | 7 |
| Bulletin Board | 5 | 1 |
| Through present tenants | 60 | 35 |
| Signs | 6 | 0 |
| U.C. Housing Office | 20 | 7 |
| U.C. Faculty Office | 12 | 2 |
| Word of Mouth | 12 | 11 |

*In some cases owners indicated that they were not familiar with the methods used because the manager selected the tenants.

The landlords reported that the methods they used to find their tenants have not changed significantly within the past five years.

--Turnover

60% of the landlords indicated that turnover patterns had not changed in the past five years (or since they purchased the property). However, the responses that turnover patterns had not changed were heavily weighted towards owners of properties with 10 units or less. Owners of smaller buildings, especially buildings with four units or less may be less likely to notice overall trends in turnover rates. Tenant selection procedures may have also caused the differences in perceptions regarding turnover rates. A number of the owners of smaller buildings indicated that they took a great of time in interviewing and selecting tenants in order to find tenants who would be more likely to stay for a long time.

Of the 36 respondents who indicated that turnover rates had decreased, 26 indicated that turnover had "decreased a lot". Two owners of buildings with more than ten units indicated that turnover rates had increased.

--Problems with Tenants

Non-payment of rent

While many landlords reported that they had problems with tenants not paying rent usually the problems involved very few tenants. 44% of the landlords indicated that they had problems with tenants not paying their rent within the last five years (or since they purchased the property). Non-payment problems most frequently took the form of rent skips in which tenants moved out owing rent. Evictions for non-payment of rent were rare. 14% of the landlords indicated that they had to evict a tenant for non-payment of rent. 12 landlords indicated that they evicted one tenant for non-payment of rent and 2 reported two instances.

While a substantial percentage of landlords had had nonpayment problems the number of problems was very small in relation to the number of units and the number of years involved. The ratio of evictions to "rental unit years" was 0.1%. In other words the chances of an eviction for non-payment for a unit within a year were less than one in one thousand. For approximately one thousand units, 80% of which were owned for five years or more, there were only 14 evictions for non-payment of rent.

The volume of cases of tenants moving out owing rent was higher, but still only a little above one percent per "unit year". The owners reported a total of 61 instances in which tenants moved out owing rent within the past five years; however, 25 of those were reported by one owner.

--Other types of problems

46% of the respondents indicated that they had other types of problems with tenants. Out of the total sample, the following percentages of owners indicated having the following types of problems: noise - 11%, destruction of property - 11%, unauthorized subletting or more tenants than the landlord agreed to- 9%. Landlords reported a range of problems including law student tenants who "practiced" on them, a tenant who used an excessive amount of water to wash his car, and one tenant who ran a retail fish business out of his apartment.

--Rent Increases

60% of the respondents reported that they had taken the full amount of all of the general adjustments permitted by the Board. In each of the three years that increases were permitted, about one-quarter of the owners did not take the full increase permitted. Principal reasons for not taking the general adjustments were that the landlords liked their tenants or were concerned about their financial situation (15) and they did not believe in raising their rents each year (and preferred to wait until units became vacant)(15). The large, professionally managed companies were more likely to take the full amount of the increase permitted; smaller owners, including many black owners, did not.

--Mortgages

52% of respondents reported that they had one mortgage on their property; 30% had more than one mortgage; and 17% reported that they owned their building free and clear. The great majority of financing was through fixed rate mortgages. 77% of all respondents who had mortgages reported that they had fixed rate financing. 11% had variable rate mortgages and 7% had both fixed and variable rate mortgages.

27% of respondents indicated that they had balloon payments coming due on mortgages. Of those who had balloon payments, 86% were for more than 10% of the purchase price.

b. Opinions About the Rents Permitted Under the Ordinance

--Base Rents

Only 14% (15) of the owners felt that the rents they were permitted to charge were fair to them. Those who felt that the rent was not fair had widely varying views about what size rent increase would bring their rents up to a level that was fair. The following numbers of owners indicated that the following size increases were necessary: 16 - 5%-10%; 16 - 11%-20%; 16 - 21%-30%; 8 - 31%-50% - 8; 3 - 51%-99%; 6 - 100% or more. Some respondents stated that they were locked into low rents for particular units for which they had not raised the rents up to building wide levels.

--General Adjustments

While the vast majority of landlords felt that their base rents were not fair to them, opinions about the general adjustments were mixed.

ADEQUACY OF GENERAL ADJUSTMENTS*

| | |
|-------------------------------|-----|
| adequate | 13% |
| some, but not all | 64 |
| inadequate | 18 |
| 1981 (5% increase) inadequate | 45 |
| 1982 (9% increase) inadequate | 27 |
| more than adequate | 4 |
| 1983 (4.75% incr.) inadequate | 53 |

*No increase was permitted in 1984

There was a wide divergence in responses as to what size general adjustments would have been adequate. Some responses were in percentages, other were in terms of standards (such as Consumer Price Index, 13 respondents. About 20% of those who felt that the increases were not fair did not give a specific answer as to what general adjustment would have been adequate.

Responses as to what percentage rent increase would have been adequate in 1984 by owners who gave specific percentage answers were as follows: 21 - 5%; 15 - 6%-9%; 9 - 10%; 5 - 15% or more.

Many of the owners stated that the general adjustment locked-in owners who charged low rents during the base period while healthily rewarding those who had high base rents.

73% of the respondents indicated that the general adjustments were not adequate to cover operating cost increases.

--Individual Adjustments

73% of the landlords felt that they needed an individual adjustment, however only 8% indicated that they had applied for an individual adjustment. Those who felt they needed an individual adjustment but had not applied for one gave the following reasons for not applying: the Board is biased (therefore applying is futile) - 54%, too much hassle - 43%, the individual adjustment application fee too high - 32%, the process is too time consuming - 29%. Some respondents noted that it would take them more than a year just to recoup the \$80 per rental unit application fee, in the event an increase was granted. Many respondents became particularly emotional when questioned about individual adjustments.

--Many respondents volunteered that they agreed with the principle of rent control, but that they felt that the Berkeley's rent control scheme was unreasonable.

--A Dual Market

Other studies of urban rental housing markets have found significant differences in the manner in which "large" landlords operate as distinct from "small" landlords.¹⁴

A sample of 105 landlords is not large enough to make conclusions about the differences in operations of small and large landlords, and longterm owners and recent purchasers. However, some striking patterns appeared, which should be noted.

The 14 black landlords in the sample had significantly differing ownership and operating patterns and views than the other landlords. All of them owned properties of six units or less. In each year, a majority of them (8 to 10) did not take the full general adjustment allowed by the Board.

The survey results also seem to indicate that owners of small properties concentrate on finding longterm tenants and minimizing management expenses.

14. See studies cited in note 1, supra.

c. Understanding of the Rent Law

Landlords were asked six questions regarding their understanding of the operation of the rent law. The responses indicated that most were familiar with the ordinance's restrictions on evictions and most understood that increases in mortgage payments are not a ground for an individual adjustment.¹⁵

| | True | False | D/K |
|--|------|-------|-----|
| You may obtain permission from the rent board to increase rents ... | | | |
| To cover the costs of a new mortgage that has a higher interest rate? | 16% | 49% | 33% |
| To pay for minor maintenance such as new mailboxes? | 8% | 67% | 23% |
| For major capital improvements, such as a new roof? | 55% | 24% | 20% |
| You may evict a tenant if... | | | |
| You want to rent the apartment to a friend? | 0% | 91% | 8% |
| The tenant has a dog, but the lease specifies no pets? | 52% | 28% | 21% |
| You are tired of being a landlord and prefer to keep the units vacant? | 9% | 65% | 26% |

Many respondents indicated that they felt that the right to an individual adjustment was only theoretical and did not exist in reality. Some respondents interrupted the interviewers before they could complete the questions about the circumstances under which individual adjustments could be obtained and indicated that it was impossible to obtain individual adjustments for any reason.

15. Due to the complexity of the law and regulations there was no absolutely correct answer to the answers that were posed. Generally, under the Rent Board's regulations, a rent increase may not be obtained to cover the costs of a new mortgage. However, such increases are permitted "for properties purchased or refinanced between June 6, 1978 and June 3, 1980 ... to the extent that the owner demonstrates that rents were not increased prior to the adoption of the ordinance to cover such increased costs." Rent Stabilization Board Regulation 1276. Increases are authorized for capital improvements unless the cost of the capital improvement is offset by a reduction in other maintenance costs since the base year. The right to all types of upwards individual adjustments in rents is conditioned on compliance with the rent rebate provisions of Measure I, as well as complete compliance with the current ordinance.

IV. THE VIEWS OF MANAGEMENT COMPANIES

The interviews of the management company representatives indicated that companies operate in substantially differing manners and provided widely differing views of the operation of the housing market. The views they expressed about the operation of the rent ordinance paralleled those of the landlords. The interviewees took care to express their views and thoroughly answer the questions.

a. Trends in the Operation of the Management Company and Rental Business

One company indicated that it had lost business due to the rent stabilization ordinance because owners were now trying to reduce their operating expenses. Another indicated that it had gained clients because some owners had turned over management, in despair over their inability to manage their properties under the conditions created by the ordinance.

One representative noted that there has been a trend towards parents buying smaller buildings (single family to five or six units) for occupancy by their children while they are attending school.

b. Selection of Tenants

Primary methods of finding tenants ranged from use of the U.C. housing office to word of mouth through other tenants. Some preferred students, while others preferred non-students. Reasons given for preferring students were that they were more conservative and had lower expectations regarding maintenance. Non-students were favored because they move less often.

c. Turnover

All of the interviewees indicated that there had been drastic changes in turnover rates since 1980. One company representative estimated that the turnover rate had declined from 40% a year prior to rent control to a current rate of about 8%. Another stated that the turnover rate had declined from about 50% to 10 to 15%. Another stated that the turnover rate was in the 1 to 2% range, but added that, in addition, a substantial number of tenants assign their leases to new tenants without the consent of the landlord. One stated that more working persons (as opposed to students) were now seeking apartments in Berkeley.

d. Problems with Tenants

--rent payments

The management companies indicated that they did not have serious problems with non-payment of rent. Two companies which each manage hundreds of units indicated that they only have to go to court once or twice a year in order to evict a tenant for non-payment of rent. The problems which did occur were usually over late payment of rents and bad checks and were quickly cured by the tenants. One company indicated that the rate of delinquencies in rent

payments had gone down from 30% to 10%, while another stated that the volume of bad checks had increased from about 3 to 25 per month.

--other problems

Other types of problems with tenants mainly had to do with carelessness with respect to maintenance. Tenants failed to call the management company when repairs were needed, which sometimes resulted in greater damage. Two companies strongly noted that many tenants failed to open doors and windows after showers thereby causing extensive mildew and deterioration in bathrooms. None of the management companies indicated that these problems were maliciously caused by tenants.

e. Mortgages

The management companies indicated that only a small percentage of owners had refinanced their properties since they purchased them. Most of the refinancing was of short term second mortgages in situations where purchases involved assumptions of existing first mortgages.¹⁶

f. Views about the Operation of the Rent Stabilization Ordinance

The management companies had extensive comments about the rent ordinance, its administration, and what types of standards they believed would be reasonable. They indicated that the combined effect of the general and individual adjustment standards was to force owners to reduce their maintenance and limit capital improvements to those which were absolutely necessary.

--General Adjustments

All of the management company representatives felt that the general adjustments were not adequate to cover operating cost increases and that as a result steady deterioration of properties was occurring. Two company representatives indicated that general adjustments should be equal to the percentage increase in the Consumer Price Index. A third stated general adjustments should range between 5 and 10% per year and indicated that owners would be more likely to do capital improvements if a minimum annual increase of 5% per year were guaranteed. One stated that a fair rent would be 40% above 1978 levels, with an additional increase of up to \$50 for units with lower than average rents.

16. Starting in 1978, as a result of the State Supreme Court decision, purchasers had the right to assume existing first mortgages on real properties without the consent of the loan institution. In the late 1970's and early 1980's, as interest rates soared, it became advantageous to assume the existing first mortgage on a property and obtain a high interest rate second mortgage from the seller, rather than to finance the purchase with a new first mortgage.

--Individual Adjustments

The management companies felt that the individual adjustments procedures and their administration was extremely unreasonable. They stated that the major disincentive to applying for an increase was that any prior violation of either the current ordinance or Measure I could result in a rent decrease and thousands of dollars in penalties. As a result owners would not apply for individual adjustments. Other comments and criticisms included the following:

1. The owners are intimidated by the Board. This is especially true of older immigrant owners who are particularly intimidated by government agencies.
2. The application form is "insane".
3. The application fees are extremely high.
4. The staff is uncooperative.
5. The hearing examiners are biased.
6. The time and expense of obtaining an increase outweighs the benefits that may be obtained.
7. The decisions are not consistent.
8. The Board will not give written responses to inquiries.

In contrast to the other interviewees, one management company representative seemed to indicate that the problem was basically with the standards and did not see serious problems with the persons who administered them.

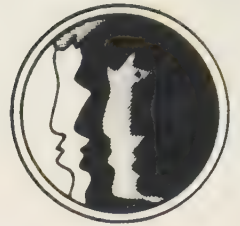
One representative stated that the impossibility of obtaining individual adjustments for capital improvements prevented upgrading even if it was desired by the tenants as well as the landlord. That representative indicated this type of situation was commonly occurring, especially in cases where an owner wanted to upgrade the security of a building.

Some suggestions were made for reforms (which based on the tenor of the complaints by the other management companies would have been universally agreed upon). The suggestions basically centered on developing a procedure for obtaining certification as to legal rent levels and a cutoff date for complaints about old overcharges. Such certification would enable owners to apply for individual adjustments without being afraid that their rents would be lowered due to prior infractions, which may not be substantial. Also, certification would make buildings more marketable. It was also suggested that the Board should hire an owner counselor.

VI. Postscript

We imagine that this report will be used as fuel for both supporters and opponents of rent control in Berkeley and elsewhere, and that it has enough questions and answers to make everyone happy and angry. We leave the conclusion to the residents of Berkeley.

City of Berkeley



(415) 644-6128

RENT STABILIZATION BOARD
2180 MILVIA STREET
BERKELEY, CALIFORNIA 94704

August 17, 1984

Dear Berkeley Resident(s):

The Berkeley Rent Stabilization Board is conducting a door-to-door and telephone survey of tenants for the purpose of obtaining information about their housing situation. The knowledge obtained from the survey will be valuable to the Board in making policies and establishing outreach programs.

Your household has been selected as part of a random sample to participate in the survey. Within the next few weeks you will be contacted by an interviewer.

All responses will be entirely confidential and will be used only in combination with other responses for statistical purposes.

Your cooperation in the survey would be greatly appreciated. Thank you in advance.

Sincerely,

JACQUELINE FOSTER
Program Chief



City of Berkeley

RENT STABILIZATION BOARD
2180 MILVIA STREET
BERKELEY, CALIFORNIA 94704

(415) 644-6128

September 14, 1984

Dear Berkeley Property Owner:

The Berkeley Rent Stabilization Board is conducting a survey of owners of rental property. The purpose of the survey is to obtain information regarding owners' views about the operation of the rent stabilization law and rental housing developments of the past few years in Berkeley.

You have been chosen as part of a random sample to participate in the survey. Within the next few days or weeks, an interviewer will telephone you to conduct an interview. All responses will be entirely confidential and will be used only in combination with other responses for statistical purposes.

At this time, the Board is also conducting a survey of tenants. We hope that you will be interested in this study and willing to cooperate since the surveys present us with an opportunity to get both the tenants' and owners' point of view.

Thank you in advance.

Sincerely,

Jacqueline Foster

JACQUELINE FOSTER
Program Chief

KB:eh



0124879262



City of Berkeley

OFFICE OF THE CITY CLERK
1000 SHATTUCK AVENUE
BERKELEY, CA 94704-1240

September 24, 1994

Dear Mr. Mayor, Board Members:

The following information is being provided to you for your information. The subject of this letter is the proposed amendment to the City Charter, which would change the number of members of the Board of Supervisors from five to seven. This amendment is being presented to you for your consideration and approval.

The Board of Supervisors is the governing body of the City of Berkeley. It is responsible for the overall management of the City and for the adoption of the City's budget. The Board also has the authority to appoint and remove the Mayor and the City Manager.

The proposed amendment to the City Charter would increase the number of members of the Board of Supervisors from five to seven. This change is being proposed in order to better represent the diverse interests of the City's residents.

Very truly yours,

City Clerk

Barbara A. Smith
Barbara A. Smith, City Clerk

1000 SHATTUCK AVENUE
BERKELEY, CA 94704-1240

cc: Mayor

